

**From:** Gribbin, William J  
**Sent:** 2 Mar 2018 19:38:07 +0000  
**To:** (b)(6) Hughes, Andrew; BassWilliams, Deana  
**Cc:** Thompson, Amy C; Williams, Raffi; Thompson, Caitlin H; Bacon, James A  
**Subject:** NCSHA Speech for Monday  
**Attachments:** Carson NCSHA speech\_ACT.docx

Boss,

Attached is my suggested speech for Monday's appearance at the National Council of State Housing Agencies. It is based on certain topics that the group wanted to hear about, and sourced from our experts around the building—some of the language will be very familiar to you.

Please note the italicized line at the beginning: this is because, directly preceding your speech, their board will be choosing a permanent Executive Director, which is likely to be Garth Rieman. Thus, you should include or drop the line, or change the name, depending on what information we're given that morning.

As always, please let me know anything else I can do—I will work with James to make sure you have a read copy ready.

Have a great weekend,

Billy

**DR. BEN CARSON  
SECRETARY OF  
HOUSING AND URBAN DEVELOPMENT  
AT THE  
NATIONAL COUNCIL OF STATE HOUSING AGENCIES  
LEGISLATIVE CONFERENCE  
WASHINGTON, DC  
March 5<sup>th</sup>, 2018**

Hello everyone! It's wonderful to be here.

I'd like to thank your President, Grant Whitaker, for that kind introduction.

*[And I want to give my congratulations to your new, permanent Executive Director, (Garth Rieman) I'm sure he'll do an amazing job.]*

I'd also like to recognize the many HFA executive directors in the room today, and all the talented men and women who helped make this conference possible.

You've gathered a brilliant group of lawmakers from both parties and policy experts to discuss one of the great challenges of our time.

When you're at an agency as big as HUD, you quickly get a sense of how every undertaking, from this conference to a cabinet meeting, takes a lot of cooperation by dedicated people to work out every interconnected detail.

The same is true of housing in America.

It involves buildings—but it is not simply an issue for builders. It involves health—but it is not just the concern of doctors. It involves economics—but it is not merely a matter of money.

In fact, our access to housing is influenced by countless areas in our lives, from education to employment to environment.

Good schooling, stable families, and abundant economic opportunities not only serve to pull folks out of housing uncertainty but can prevent men and women from falling into it.

And where we live influences all those pieces of our lives in turn.

This means that our efforts in housing must be holistic; we cannot just place someone in an apartment and declare our job finished.

Our efforts to achieve safe, fair, and affordable housing for all Americans will only have permanent results if there is an economy for people to join, a community to embrace them, and a culture that supports families.

By working together, HUD, our fellow agencies, and the Legislative branch have made great strides toward these goals in the last year.

One of the biggest was tax reform.

The President's priorities in tax reform were to lower rates for low- and middle-income families; simplify the tax code; and make American businesses more competitive globally.

Because of the Tax Cuts and Jobs Act, more than two million American workers have already received bonuses from their employers, and more businesses are employing more people.

The unemployment rate is at an 18-year low, and unemployment in African American and Hispanic communities are the lowest since we started recording them.

The standard deduction and the child tax credit are doubled, which make a big difference for families at all income levels. Families are also now able to use their 529 College Savings Plans to cover K-12 education expenses.

Now, in order to pay for the massive tax relief on the individual and corporate side, certain deductions were trimmed back.

This includes the mortgage interest deduction, which was previously available on loans up to \$1 million and is now capped at \$750,000.

From our perspective at HUD, this makes sense. We focus on low-income households, the homeless, and those who qualify as "severely burdened" by paying a large portion of their income to rent.

In addition, state and local tax (SALT) deductions for local sales, income, and real estate taxes are now capped at \$10,000, where they were not capped previously. However, the increased standard deductions will mitigate the impact of this provision on most homeowners.

Tax reform also retained the Low-Income Housing Tax Credit (LIHTC) in its entirety, which has been key to the development of affordable housing.

Of course, housing is deeply tied to infrastructure—and I was very pleased that Congress made progress there as well.

Congress preserved the preferential tax treatment on interest generated by private activity bonds. These bonds are sold to finance private activities that benefit the public, such as hospitals and affordable housing.

One final provision I'm very excited about is the creation of opportunity zones. Today, if an investor sells an investment with an unrealized capital gain and reinvests the proceeds in a recognized opportunity zone, the capital gains tax can be deferred or reduced.

The zones are low-income areas, designated by Census Tract, and selected by Governors, who may select up to 25 percent of the economically distressed tracts in their respective states to benefit from this provision. More than \$2 trillion in capital gains could be unlocked for investments in these zones, and affordable housing stands to be a major recipient of this private capital.

Advocates for affordable housing and strong communities have a lot to celebrate, and more Americans are going home every day keeping more of their hard-earned pay.

At HUD, we've been making strides of our own.

Transitioning our aging public housing stock to a more sustainable platform is a critical part of our mission. The Rental Assistance Demonstration, or RAD program, continues to be one of our best tools to serve Americans more efficiently. RAD gives public housing authorities the ability to reinvest in public housing stock by shifting toward private investment and Section 8.

The program has produced over \$5 billion in construction activity since it began, and stimulated job creation in many different areas of the country. It would have taken public housing authorities 46 years under current budget constraints to raise the funds to complete a similar level of construction.

Ensuring that the Federal Housing Administration's Mutual Mortgage Insurance Fund meets its statutory capital reserve ratio is also critical to preserving access to affordable mortgage credit for first-time and low-to-moderate income homebuyers.

The fund ended the 2017 fiscal year at 2.09 percent, barely over the statutory requirement. But, we did meet the goal, largely because of steps we took to defend the fund, the taxpayers that back it, and the prospective homebuyers that will need it. We will continue to be good stewards of the fund going forward, managing its risk in a way that is transparent and accountable.

In addition, FHA must provide clarity and certainty for those who facilitate its programs for millions of Americans. Modernizing FHA's technology is at the top of our agenda. It underpins everything that FHA does, and is vital to the integrity of its operations and ability to protect taxpayers from losses.

In the short term, FHA is still focused on helping Americans who need relief the most.

For the second time since Hurricane Maria hit Puerto Rico and the U.S. Virgin Islands, FHA is extending its original 180-day foreclosure moratorium for FHA-insured homeowners for another two months, while communities continue to rebuild and restore.

We're instructing lenders and servicers to suspend all foreclosure actions against insured borrowers in these Major Disaster Areas until May 18<sup>th</sup>.

In the long term, we are also committed to the Administration's goal of housing finance reform.

The details have yet to be written, but because our fundamental housing mission, FHA mortgage insurance program, and Ginnie Mae mortgage-backed security guarantees are large and vital components of the housing finance system, HUD will be an active participant in this critical dialogue.

We're committed to giving future generations a well-functioning housing finance system that expands the role of the private sector and reduces taxpayer exposure.

I'm very proud of my wonderful team at HUD for tackling all these difficult policy issues. They've done an amazing job. But even now, we are waiting for members of the Senate to do their job, before we can fully do ours.

It has been 162 days since Brian Montgomery was originally nominated to be our Assistant Secretary of Housing and Federal Housing Commissioner.

In addition to previously serving as Commissioner under President Bush, he served as President Obama's first FHA Commissioner, where he was asked to stay on due to the financial crisis. He also was asked to serve as Acting Secretary during the transition between Bush and Obama.

His wealth of experience and bipartisan support make him the perfect person to guide HUD in housing matters. I hope that the Senate will soon exercise its authority—and its responsibility to serve the American people—and confirm Brian's nomination.

I look forward to having our whole team in place, cooperating and collaborating, to bring prosperity and freedom to millions of Americans in the coming year.

We're going to continue the fight to end homelessness, which is closely related to the lack of affordable housing.

We will continue to protect our veterans from abusive mortgage churning practices.

We will seek to reform HUD's Rental Assistance programs so that they are sustainable and encourage work, self-sufficiency, family formation, and economic opportunity.

We will empower Section III, so that jobs and training go hand-in-hand with HUD grants in local communities. There is a critical shortage of labor in many areas of our country. Section III can be a vital tool on our workbench to not only develop communities but develop human potential.

And we'll be breaking ground on Envision Centers across the country—hubs of innovation which leverage public/private partnerships to bring education, economic opportunities, and mentorship to our cities, leading more families to achieve self-sufficiency and enjoy their rightful share in the American Dream.

We hope to collaborate extensively with local HFA's in attracting private investment to the Envision Center Initiative, as well as providing homeownership support through financial awareness, credit counselling, mortgage assistance, and home buying assistance.

Before I go, I would like to address one final thing.

Last Friday was my one-year anniversary of being sworn in as HUD Secretary.

Since then, my core convictions have remained the same: that our society has a great responsibility to help those in need, and that the most efficient, compassionate, and effective method is to focus on widening and strengthening their path to self-reliance and prosperity.

But something else has changed for me: getting to meet hundreds—even thousands—of amazing men and women across the country who have dedicated their careers to lifting up their fellow Americans.

In local HFAs, in charities and churches, in government offices, and our own HUD headquarters here in DC, every day I see the generous heart beating at the center of our nation.

It beats so strong, and so regularly, that sometimes we take it for granted, and get distracted by political disagreements or other events around the world.

But still, that heart remains. It gives life to our cities and our countryside. And it stays healthy through the efforts of everyone in this room.

I thank you for everything you do for our communities, and for our nation, and I look forward to accomplishing great things together.

Thank you.

**From:** Gribbin, William J  
**Sent:** 29 Jan 2018 19:21:29 +0000  
**To:** (b)(6); BassWilliams, Deana  
**Cc:** Cowan Jr., Chad;Williams, Raffi;PHP;Thompson, Caitlin H;Bacon, James A  
**Subject:** Harvard Joint Center remarks  
**Attachments:** Carson Joint Center for Housing Studies Winter Meeting 01272018.docx

Boss,

Attached are draft remarks for your appearance on Wednesday at the Harvard Joint Center for Housing Studies event. This is the winter meeting of their Policy Advisory Board.

This speech was built out using recommendations from our contacts at the Joint Center, with input from Dana Wade and her team in FHA. Topics include the need for affordable housing, deregulation, economic boom/tax reform, FHA changes, housing finance reform, and your general outlook on the private market and relationship with government.

As always, I'm at your disposal for any rewrites or edits.

-Billy

**DR. BEN CARSON  
SECRETARY OF  
HOUSING AND URBAN DEVELOPMENT  
AT THE  
POLICY ADVISORY BOARD OF THE HARVARD JOINT CENTER FOR  
HOUSING STUDIES WINTER MEETING  
WASHINGTON, DC**

**January 31, 2017**

Hello, everyone! It is great to be here.

I heard that astronomers were excited this morning because we had a lunar eclipse, a blue moon, and a super moon all at once—so I knew the heavens were aligned for a good speech today! Anyway, I will do my best.

I would like to thank the Harvard Joint Center for Housing Studies for their kind invitation, and everyone who helped to organize this conference.

I would particularly like to recognize Carol Tomé, the CFO and Executive Vice President of The Home Depot, who is your Policy Advisory Board Chair.

And I thank all the other representatives of private enterprises for attending. Your support for solid research, and your continued interest in the wellbeing of the American housing market, are good things for us to have in common.

There are builders here, distributors, realtors, bankers, and representatives of every side of housing in America.

Today I represent the public side, as Secretary of Housing and Urban Development.

In this role, my most vital interest is affordable housing for all Americans.

But that does not mean I represent a monopoly on creating it.

The first and most important source of affordable housing will always be private enterprise—whether operating independently, or in cooperation with HUD and other government initiatives.

Many thinkers and politicians in the past saw how the activities of industry and finance could affect the lives of their countrymen. They saw the intersection of private interests and the common good, and had very different thoughts about that relationship.

Some thought that commerce had to be subject to government, managed and controlled, because government was the only entity capable of having a moral compass or improving lives.

But the idea of private enterprise vs. the public welfare has always been a false choice.

This administration does not consider private business as a rival to government, or somehow opposed to the best interests of the American people.

Instead, private business is the activity of the American people exercising their rights in a free economy.

And our government exists to protect those rights.

Therefore, when pursuing HUD's mission to ensure safe, affordable housing for our fellow Americans, we cannot expect to achieve it by hindering those who are most responsible for creating it.

We only hurt our own goals by making it harder to make responsible loans. Harder to build housing. Harder to manufacture safe construction materials.

We all want to live in a society where it is easier to own a home, start a business, hire an employee, and get a job.

That was the purpose of President Trump's Executive Order 13771 last January, which directed federal agencies to issue two deregulatory actions for each regulatory action. In fact, the Administration has cut nearly 22 regulations for every new regulation introduced.

That Executive Order was followed by another executive order directing each agency to establish a Regulatory Review Task Force. Our Task Force has been hard at work identifying any rules that may hurt job creation or impose costs that exceed their benefits—two things that undermine the very mission we work so hard to achieve.

I am pleased to share that last week we announced a top-to-bottom review of HUD's manufactured housing rules, given the nation's critical need for affordable housing. And for the next 30 days, we're accepting public comments on current or planned regulations, to learn from the manufacturers affected by them.

We are also revisiting the American Affordable Communities Initiative to identify regulations that are holding back affordable housing. Out-of-date building codes, time-consuming approval processes, restrictive or exclusionary zoning ordinances, unnecessary fees or taxes, and excessive land development standards can all contribute to higher housing costs and production delays.

There are many other reasons for the growing good cheer about our nation's economy. Much of this is due to certain actions taken by Congress and the Administration, but it is also due to the innate optimism of the American people, especially investors, and consumers, who sense that their government is again committed to fostering an atmosphere conducive to growing businesses and growing the economy.

Last week the Dow-Jones hit 26,000 for the first time in history. The national unemployment rate is the lowest it's been in 17 years, and millions of Americans are going to be able to keep more of their hard-earned money this year due to the President's Tax Cut.

The recent tax reform package also maintained the Low-Income Housing Tax Credit and tax-exempt status for private activity bonds, which are especially valuable to those building America's infrastructure, care facilities, and affordable housing developers.

Each of these things—job growth, tax reform, and a roaring economy—is vital to the creation of new housing, and the ability of more Americans to afford it.

The numbers back this up: HUD just released a report on December's housing sales. An estimated 608,000 new homes were sold in 2017. This is a more than 8 percent increase from 2016.

At HUD, our job is to ensure that this great prosperity gives all Americans access to safe, fair, and affordable housing.

We must also ensure that families who depend on HUD have increased opportunities to participate in our economy and to build their own prosperity for themselves, both of which are critical to helping those who depend on HUD to reach self-sufficiency.

Each of our policies and goals for 2018 has these two ideas at heart.

But our first challenge is to accurately understand the challenges we face.

Today, more than 11 million American households pay more than 50% of their income to rent—what we call “severely burdened.”

Today, only one in four households who would otherwise qualify for rental assistance actually receives a housing subsidy. Although HUD funding has increased regularly over the years, the number of households served has essentially remained the same.

We must find another way—a better way—if we are to achieve our mission of creating strong, sustainable, inclusive communities and quality affordable homes for all Americans. Only when we can improve the circumstances of that one-in-four household, and put them on the path to self-sufficiency, can we better serve the other three-in-four.

The Rental Assistance Demonstration, or RAD program, continues to be one of our best tools to serve Americans more efficiently. RAD gives public housing authorities the ability to reinvest in public housing stock by shifting toward private investment and Section 8.

The program has produced over \$5 billion in construction activity since it began, and stimulated job creation in many different areas of the country. It would have taken public housing authorities 46 years under current budget constraints to raise the funds to complete a similar level of construction.

Supporting responsible homeownership and helping families achieve that great milestone is also essential to achieving our goals.

We're strengthening longstanding programs, like the Federal Housing Administration, so they may continue to meet their mission to serve first-time and low-to-moderate income homebuyers. We will continue to offer FHA products with an eye toward making them sustainable for borrowers and prudent for taxpayers. We've already taken steps to shore up capital levels for the

FHA fund and put FHA's reverse mortgage program on a more fiscally sound footing. FHA will continue to manage its risk in a way that is transparent and accountable to the American public.

In addition, FHA must provide more clarity and certainty for those who facilitate its programs for millions of Americans. At the top of our agenda is modernizing FHA's technology, which underlies all that FHA does, and is vital to the integrity of its operations and ability to protect taxpayers from losses.

Further, one of the best things we can do to help creditworthy borrowers obtain mortgage credit is to provide certainty to the market. We are working diligently to give lenders greater clarity, so they are not exposed to unreasonable liability by working with us in good faith.

In the long term, we are also committed to the Administration's goal of housing finance reform.

The details have yet to be written, but because our fundamental housing mission, FHA mortgage insurance program, and Ginnie Mae mortgage-backed security guarantees are large and vital components of the housing finance system, HUD will be an active participant in this critical dialogue.

We're committed to giving future generations a well-functioning housing finance system that expands the role of the private sector and reduces taxpayer exposure.

And of course, there are many other important issues that the dedicated men and women at HUD are working on every day

We have a lot to tackle in the coming year: Continuing the fight to end homelessness. Protecting our veterans. Reforming Rental Assistance. Empowering Section III, so that jobs and training go hand-in-hand with HUD assistance.

We will be involved in ongoing disaster recovery, helping our fellow Americans in Florida, Texas, and Puerto Rico to rebuild. And we'll be breaking ground on Envision Centers across the country—hubs of innovation which leverage public/private partnerships to bring education, economic opportunities, and mentorship to our cities, leading more families to achieve self-sufficiency, and enjoy their rightful share in the American Dream.

Each of these issues touches, and is touched by, the state of housing in America. And improvement in one area leads to improvement in all.

I know that many of your organizations are involved in amazing charitable activities, supporting many of the same communities we serve at HUD. For that, I thank you from the bottom of my heart.

But as we venture forth into 2018, I am excited to help create the conditions where Americans and their businesses are empowered to take the lead on affordable housing, even in their day-to-day activities.

The endless capacity for innovation and cooperation in this country is our most precious natural resource, and at HUD, we look forward to using it with you—to fuel the future.

Thank you.

**From:** Wade, Dana T  
**Sent:** 6 Dec 2017 20:12:54 +0000  
**To:** [redacted]  
**Cc:** Greenwood, Sheila M;Appleton, Seth D;Kurtz, R. Hunter  
**Subject:** Update on LIHTC/private activity bonds

Mr. Secretary,

I wanted to send you an update related to the tax bills and Private Activity Bonds/LIHTCs. Seth Appleton and I just had a call with Shahira Knight, who is NEC Director Gary Cohn's lead staffer on tax issues. [redacted] (b)(5)

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(b)(5) Deliberative Privilege

This means that the 4-percent LIHTC, which is often used to finance both Multifamily and RAD deals, would continue to be viable.

Some good news and the day isn't yet over! We will continue to monitor this and report back to you.

Thank you –  
Dana